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ASSOCIATION OF BAY AREA GOVERNMENTS

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Introduction

The Bay Area today faces a housing crisis. Home ownership has become virtually impossible for most renters who would normally enter the ownership market. High interest rates coupled with the near halt of new rental construction and the conversion of existing units to condominiums has placed great pressure on the rental market. The inflation of land and money costs has dramatically slowed the construction and sales of new ownership units.

Add to this, estimates by ABAG that by 1985 the Bay Area will need to increase its 1980 level of housing stock by about 216,900 units. Housing permit data for 1980 reveals that housing activity must increase by approximately 50% each year (if the level of permits issued in 1980 remains constant each year) in order to meet this projected need.

With the above in mind, this guide was prepared as a source of contacts for obtaining more information about current housing issues and the innovative programs being undertaken by local governments.

The following housing programs and policies have been developed by Bay Area communities in an attempt to address the Bay Area's critical need for housing.

Air Rights and Ground Leasing

One way to increase the number of low- and moderate-income housing units is to make use of air rights and ground leasing agreements. Air rights and ground leasing agreements are alternatives to the conventional option of selling the land and with it all rights and interests connected to the land.

Air rights can be conveyed in a number of ways depending on the purpose of the agreement. For instance, the airspace above or below a specified height is sold, as in the case of a condominium. Or, all property and air rights are sold with an easement retained (the right to use the land for a specified purpose, falling short of ownership). This later method is commonly the situation with railroads and highways, where they involve rights-of-way only.

A ground or land lease is a variation on the air rights lease. The property owner retains title to the land but leases the right to own a house on the land. Each person has partial ownership: one owns the land while the other owns private buildings on the land. A common example of this arrangement is a mobilehome park. The park is owned by one party who rents a space to the mobilehome owner.

Three examples of using air rights or ground leasing agreements to facilitate the development of low and moderate-income housing can be found in San Francisco, Alameda County, and the City of Santa Clara. The following sources will provide more information about air rights and ground leasing.

"Air Rights and Ground Leasing: Alternative Land Use," Issue/Option Paper #3, ABAG, November 1981.

Al Borvice (415) 826-5506
Housing Development and Neighborhood
Preservation Corporation
2588 Mission Street
San Francisco, California 94114

J. Michael Leahy (415) 874-5292
Alameda County Health Care Agency
499 Fifth Avenue
Oakland, California 94612

Olney G. Smith (408) 984-3111
City of Santa Clara, Planning Department
1500 Warburton Avenue
Santa Clara, California 95050

ARTICLE 34

In order to ensure that local citizens have a voice in determining their community environment, California voters in 1950 passed the Article 34 Amendment to the State Constitution. Article 34 requires that a local referendum be held before many kinds of assisted housing developments can be constructed. Article 34 states the following:

"No low rent housing project shall hereafter be developed, constructed or acquired in any manner by any state public body until a majority of the qualified electors of the city, town or county, as the case may be, in which it is proposed to develop, construct, or acquire the same, voting upon such issue, approve such project by voting in favor therefore at an election to be held for that purpose, or any general or special election."

In other words, an Article 34 referendum is required if all of the following three conditions exist: (1) a state public agency is involved (includes city or county agencies); (2) the public agency will acquire, develop or construct the housing project; and (3) the proposed project is to be a low-rent housing project.

While a number of subsequent court cases have narrowed the meaning of the terms, "develop, construct, or acquire," and "low-rent housing project," there are many cases when a referendum will be necessary. For example, any development financed by the California Housing Finance Agency (CHFA) in which more than 49 percent of the occupants are low-income, or any development built by or for a housing authority, will require Article 34 referendum approval.

The following sources of information and individuals can provide more details about Article 34 and this referendum in their respective areas:

Local Officials' Guide to Housing and Housing Programs, Chapter 6, ABAG, September 1980.

Margaret Watson (707) 252-7711
City of Napa Housing Authority
1600 First Street
Napa, California 94558

Dennis Richards (415) 235-4310
City of El Cerrito, Department of
Community Development
10890 San Pablo Avenue
El Cerrito, California 94530

Michael Parsons (415) 828-3132
City of Pleasanton Housing Authority
P.O. Box 3663
Pleasanton, California 94566

Steve Solomon (415) 671-3151
City of Concord, Planning Department
1950 Parkside Drive
Concord, California 94519

Janet Miller-Schroeder (415) 472-4030
Marin County Housing Authority
P.O. Box 4282
San Rafael, California 94913

Christine Gouig (707) 527-3187
Sonoma County Housing Authority
2403 Professional Drive, Suite 103
Santa Rosa, California 95401

Condominium Conversions

The conversion of rental apartments to condominium ownership has been a growing phenomenon throughout the San Francisco Bay Area within the last decade. From 1970 to 1980, a total of 22,611 condominium conversions were approved by local planning departments in the Bay Area. In addition, conversion activity is widespread; eight of the nine counties and 51 of the 92 cities in the Bay Area have reported some conversions. Cities in the region with the highest number of conversions within the last decade include Oakland, San Francisco, San Bruno, Mountain View, Concord, South San Francisco, Emeryville, Walnut Creek, and Santa Clara.

The growth in the number of conversions hit a peak in 1979. Between 1979 and 1980, the total figure for the region dropped 25 percent. Communities showing the largest declines are Oakland (down 86 percent in that period), San Francisco (down 65 percent), Mountain View (down 81 percent) and Santa Clara (down 52 percent). These are the same communities which had shown the greatest conversion activity in the region since 1970.

Some possible explanations for this decline include: (1) the best apartment properties have already been converted; (2) rising and erratic interest rates slowed down all housing activity in 1980, and conversions were not immune (but conversions doubled from 1978 to 1979, when interest rates were also rising rapidly, and when building permits as a whole dropped 12 percent); and (3) there has been an increase in conversion ordinances which impose more stringent conditions on the developers, who therefore find conversions less profitable.

The following sources of information and individuals can provide more details of local conversion ordinances and the amount of conversion activity in the Bay Area.

Housing Activity Report #3, ABAG, May 1981.

Local Officials' Guide to Housing and Housing Programs, Chapter 2, ABAG, September 1980.

Condominium Conversions in the Bay Area, ABAG, September 1979.

Norman Lind (415) 273-3301
City of Oakland, Planning Department
1421 Washington Street
Oakland, California 94612

Dean Macris (415) 558-4656
City & County of San Francisco,
Planning Department
100 Larkin Street
San Francisco, California 94102

Gary Binger (415) 943-5800
City of Walnut Creek, Planning Department
1445 Civic Drive
Walnut Creek, California 94596

Olney Smith (408) 984-3111
City of Santa Clara, Planning Department
1500 Warburton Avenue
Santa Clara, California 95050

Equity Sharing

Equity sharing is a method by which moderate-income people share the costs of home ownership with investor-sponsors. The investor and occupant together put up the capital needed for the downpayment and purchase costs in order to buy a house. When the house is sold, the equity earned through appreciation is split between occupant and investor according to the percentage of the downpayment and purchase costs initially supplied by each.

In some programs the occupant is a tenant, receiving none of the tax benefits of home ownership. In other programs, the investor and occupant are "tenants-in-common." The resident is a homeowner and can deduct his/her share of tax payments and monthly interest payments.

The concept of equity sharing is based on the potential for appreciation found in the Bay Area in the last few years. While it is hard to foresee a substantial drop in housing prices, the slowdown in sales and decline in the housing price inflation rate over the past year have caused investors to become more reluctant to initiate an equity sharing deal.

The City of Concord has put together a package for low and moderate-income households which makes use of funds available through the California Department of Housing and Community Development's equity sharing program. The funds are part of the \$100 million housing package authorized by AB 333/SB 229, and passed in 1979 by the State Legislature.

The Santa Rosa Housing Authority has developed an equity sharing program for housing rehabilitation. Low-income home owners may choose between a deferred loan or an equity partnership with the housing authority in order to repair or maintain their homes. This contrasts with most equity sharing programs which assist in the purchase of homes.

The following sources will provide more information about equity sharing.

Local Officials' Guide to Housing and Housing Programs, Chapter 9, ABAG, September 1980.

Jerry Hunt (415) 326-7364
California Housing Properties
151 University Avenue, Suite 203
Palo Alto, California 94301

Steve Solomon (415) 671-3164
City of Concord, Planning Department
1950 Parkside Drive
Concord, California 94519

Bob Mang (415) 326-1425
Shelter Capital
540 University Avenue
Palo Alto, California 94301

Steve Burke (707) 576-5465
Santa Rosa Housing Authority
P.O. Box 1806
Santa Rosa, California 95402

Al Bloom (916) 445-0836
State of California, Department of Housing and
Community Development
921 Tenth Avenue
Sacramento, California 95814

Inclusionary Land Use Measures

An inclusionary land use measure is a mechanism used by a jurisdiction to expand the supply of affordable housing to low and moderate-income households. Most often it takes the form of a mixed basket of incentives (e.g., density bonuses, fast-track processing, off-site improvements, parking requirement modifications) and requirements (a certain percentage of units must be reserved for low and moderate-income households).

An example of such a measure is inclusionary zoning, which is hotly disputed as either an inequitable and inflationary local requirement or as the best insurance that a certain percentage of new housing units will be reserved for low and moderate-income households. The basic disagreement centers on who actually bears the costs of providing affordable housing.

Some opponents argue that inclusionary zoning creates a situation in which the purchasers of market-rate units subsidize the low and moderate-income units. Developers will not attempt a project unless they are reasonably sure of at least a market-rate of return. Opponents argue that in order to obtain this rate of return, developers will pass on the extra costs to the market-rate purchasers. They say that this increase in housing prices fuels inflation in the area.

Inclusionary zoning advocates contend that there is no subsidy taking place between market-rate and low-income housing purchasers. Instead, the reduced price for low and moderate-income units comes out of builder profits. It is argued that builders sell units at the highest price the market will bear. Therefore, even if a development includes some low-cost units, this will not raise the price of the market-rate units.

The following sources will provide more details about inclusionary land use measures and inclusionary zoning.

Inclusionary Land Use Measures Report, ABAG, 1980.

June Baker (415) 499-6269
Marin County, Department of Planning Services
315 Civic Center
San Rafael, California 94903

Steve Burke (707) 528-5484
City of Santa Rosa, Department of Community
Development
P.O. Box 1678
Santa Rosa, California 95402

Glenn Miller (415) 329-2310
City of Palo Alto, Planning Department
250 Hamilton Avenue
Palo Alto, California 94301

James Sisk (408) 252-4505
City of Cupertino, Planning Department
10300 Torre Avenue
Cupertino, California 95014

Howard Nies (415) 449-4003
City of Livermore, Planning Department
1052 So. Livermore Road
Livermore, California 94550

Landbanking

Landbanking is the purchase of developable land by a jurisdiction for future use. Many jurisdictions have used landbanked sites to provide affordable housing for low and moderate-income people. With land in the Bay Area now representing an average of 33 percent of the total cost of new housing, this method is an effective way of reducing housing costs for the developer of low and moderate-income housing. A related advantage of landbanking is that through a careful selection of parcels, the local community can aid in the dispersal or scattering of low and moderate-income housing thereby minimizing potential community opposition.

There are two variations of the landbanking process. A developer may go to the locality with a parcel in mind which he/she cannot afford to buy, and the locality will buy it for him/her. Alternatively, the community may choose a parcel and keep it until a developer comes along to build on it. In this case, the jurisdiction has several options regarding control of the site. The most obvious is outright purchase, but this may not be the best way for the locality to use the funds set aside for landbanking. Other options include: the option to purchase, at a stated price under stated conditions; the option of first refusal, under which the property owner agrees to notify the community in case an offer is made by a second party to purchase the land; and a lease, which is useful if the property owner is unwilling to sell but is willing to develop the land. Sources of funds for landbanking have usually come from a jurisdiction's Community Development Block Grant (CDBG) monies, although money from a community's general fund can and has been used.

The following Bay Area communities have implemented or proposed to implement landbanking activities through the CDBG program. For more detailed information, consult the sources listed below.

Local Officials' Guide to Housing and Housing Programs, Chapter 7,
ABAG, September 1980.

Howard Nies (415) 449-4000
City of Livermore, Planning Department
1052 So. Livermore Avenue
Livermore, California 94550

Charles Cashmark (415) 793-1400
City of Newark, Planning Department
37101 Newark Boulevard
Newark, California 94560

William Rugg (415) 577-3351
City of San Leandro, Department of Community
Development
835 East 14th Street
San Leandro, California 94577

Don Fleming (415) 992-4500
City of Daly City, Department of Community
Development
333 90th Street
Daly City, California 94015

Dick Coleman (415) 574-6770
City of San Mateo, Department of Community
Development
330 West 20th Avenue
San Mateo, California 94403

William Powers (408) 738-5467
City of Sunnyvale, Department of Community
Development
P.O. Box 60607
Sunnyvale, California 94088

Michael Kaufman (707) 429-2900
City of Suisun City, Planning Department
701 Cedar Street
Suisun City, California 94585

Richard Box (707) 795-5478
City of Cotati, Planning Department
P.O. Box 428
Cotati, California 94928

Limited Equity Cooperatives

A limited-equity cooperative provides low and moderate-income residents with the opportunity for affordable home ownership. In a limited equity co-op, like a market-rate co-op, the residents form a non-profit corporation which has as many shares as there are units in the building. The units may be converted from an existing rental building, or a new building may be constructed as a limited equity cooperative.

To live in a co-op, the residents purchase a share by making a down payment. The residents' monthly payment is their share of the mortgage payment plus the costs of utilities and maintenance. A share entitles co-op members to the use of common areas and their dwelling unit. While they do not own their dwelling unit, co-op members may deduct their share of interest and tax payments when filing tax returns because they are part owners of the building.

Limited equity co-ops differ from market-rate co-ops primarily in that the cost of buying a share in a limited equity co-op is generally measured in the hundreds rather than thousands of dollars and can rise only a certain amount each year. The point of limiting the equity build-up is to remove the units from market forces (unlike market-rate co-ops), as well as from the rent increases of a for-profit owner (unlike most rentals). Thus, the dwelling is kept permanently affordable to low and moderate-income people.

For further information about limited equity cooperatives, consult the following sources.

Local Officials' Guide to Housing and Housing Programs, Chapter 4, ABAG, September 1980.

Joel Rubinzahl (415) 832-8300
Community Economics
1904 Franklin Street, Suite 900
Oakland, California 94612

**National Association of
Housing Cooperatives (202) 628-6242**
1012 Fourteenth Street, NW, Suite 805
Washington, D.C. 20005

Richard Illgen (415) 465-9911
Oakland Better Housing, Inc.
1027 Adeline Street
Oakland, California 94607

Irv Rautenberg (415) 843-0588
University Avenue Housing Co-op
1414 University Avenue
Berkeley, California 94709

Manufactured Housing

The term "manufactured housing" encompasses both factory-built housing and mobilehomes. Changes in the manufactured housing industry such as construction techniques, design, and size of units have made mobilehomes more like conventional site-built housing. These dwellings have begun to represent a significant element of the single-family housing market.

Since 1970, the number of mobilehomes in the Bay Area has doubled, from 27,125 to 54,507. During the same period, the total housing supply has increased by 25%, so that the percentage of mobilehomes has gone from 1.7 to 2.7%. One-third of the region's stock of mobilehomes is located in Santa Clara County, which contains 23% of the region's total housing. Another third is located in the three North Bay counties of Sonoma, Napa and Solano, which contain less than 12% of the region's total housing.

ABAG's Projections 79 report indicates that most of the areas in the region that contain mobilehomes are expected to grow considerably faster in the next 20 years than the region as a whole. It would appear, therefore, that manufactured housing may expect to share in that growth. On the other hand, a brief survey of current zoning ordinances indicates that future growth may be severely restricted by the types of regulations in effect. ABAG is currently collecting local ordinances to determine if local regulations do restrict future growth of manufactured housing.

Two relevant State laws, AB 1564 and SB 1960, were passed in 1980 in order to address some of the local barriers to manufactured housing. The intent of these two laws is to require local governments to consider mobilehomes as one of the appropriate resources available to meet local housing need.

The following sources of information and individuals can provide a more detailed description of the issues surrounding manufactured housing and local programs making use of manufactured housing.

Manufactured Housing Study, ABAG, November 1980.

Steve Belcher (415) 273-3502
City of Oakland, Office of Community Development
1421 Washington Street
Oakland, California 94612

Bill Murphy (916) 445-0836
California Department of Housing and
Community Development
921 Tenth Street
Sacramento, California 95814

Chris Petrakos (916) 446-4124
California Manufactured Housing Association
1107 Ninth Street, Suite 700
Sacramento, California 95814

John Plassmeyer (408) 299-2241
Santa Clara County Tax Assessor's Office
70 West Hedding Street
San Jose, California 95110

Chuck Regalia (707) 528-5484
City of Santa Rosa, Department of Community
Development
P.O. Box 1678
Santa Rosa, California 95403

Mixed-Use Developments

Mixed-use developments are an option for communities experiencing rapid development of agricultural land, or increased job growth with little housing production. Mixed-use developments create a community structure which combines residential with commercial and/or light industrial uses. This is in contrast to traditional community planning which seeks to separate uses through restrictive zoning. As land suitable for development decreases, many cities are attempting to facilitate the creation of smaller areas within the community which provide employment for their residents.

Retail stores, offices, electronic and computer manufacturing, restaurants and other service industries are prime examples of the kinds of business which can be mixed with residential units. Usually, the residential units are either condominiums or townhouses, although some projects also include rental units. Often a certain percentage of the residential units are set aside for employees working in the mixed development.

Examples of mixed-use development can be found in Fremont, Redwood City, Sunnyvale, and San Francisco. For further information about mixed-use development consult the following sources.

"Mixed-Use Development," Issue/Option Paper #4, ABAG, January 1982.

Steven Saul (415) 493-6010
Harrington-Kulakoff Development Company
835 Page Mill Road
Palo Alto, California 94304

Stephan Graham (415) 363-4000
City Government Housing Education Project
617 Hamilton Street
Redwood City, California 94063

Barry Hand (408) 738-5461
City of Sunnyvale, Department of Community
Development
P.O. Box 60607
Sunnyvale, California 94088

Leonard Banding (415) 791-4169
City of Fremont, Department of Community and
Economic Development
39700 Civic Center Drive
Fremont, California 94538

Richard Damm (916) 445-1114
State of California
Office of Planning and Research
1400 Tenth Street
Sacramento, California 95814

Mortgage Revenue Bonds

Tax-exempt mortgage revenue bonds are a source of funds which may be used to raise money for mortgage insurance and mortgage loans. The money that is generated by the bonds can then be issued at below-market rates, for both single family owner-occupied homes and multi-unit rental housing. The loans may be used for rehabilitation or new construction. Outstanding mortgage loans are collateral for the bonds. Housing finance agencies are created to issue such bonds, but other agencies, such as housing authorities, local governments, redevelopment agencies, and the State, may also do so. The interest rate on the mortgage loans issued by these agencies is usually around 1-1/4% above the interest rate paid to bondholders. Private lenders originate the loans, sell them to the city or agency, and service the loans. Private lenders collect a portion of the 1-1/4% for their services.

The Mortgage Subsidy Bond Tax Act of 1980 (HR 7765) was approved in order to limit the loss in federal tax revenues caused by the increased use of tax-exempt bonds by cities and non-profit agencies. The Act was initiated in order to limit the use of tax-exempt bonds to support upper-income housing developments. HR 7765 includes provisions which would phase out the use of tax-exempt housing bonds by December 31, 1983. In addition, the law states that the purchase price of homes to be financed cannot be above 90 percent of the local area average purchase price in the preceding year. There are no income limits for purchaser eligibility. The annual total amount of such bonds to be issued in a state would be limited to the greater of 9 percent of all mortgages issued in the state, or \$200 million. The annual total is the average of all mortgages originated in the state in the preceding three years.

The law also targets areas of high unemployment and chronic economic distress to receive at least 20 percent of lendable proceeds of mortgage bonds issued in their jurisdictions. In addition, the law would confine the use of mortgage bonds to houses where the purchase price did not exceed 80 percent of the average purchase price, or 90 percent in non-targeted areas.

The following areas have issued or are planning to issue tax-exempt, mortgage backed bonds: Alameda County, Berkeley, Fremont, Hayward, Livermore, Newark, Oakland, Pleasanton, San Leandro, Union City, Contra Costa County, Antioch, Brentwood, Concord, El Cerrito, Hercules, Martinez, Pittsburg, Pleasant Hill, San Pablo, Walnut Creek, Napa, San Francisco, San Mateo County, Santa Clara County, Morgan Hill, San Jose, Solano County, Dixon, Fairfield, Vacaville, Vallejo, Healdsburg, Petaluma, Rohnert Park, and Santa Rosa.

For more information about mortgage revenue bonds or particular programs, consult the sources listed below.

Local Officials' Guide to Housing and Housing Programs, Chapter 10, ABAG, September 1980.

Mark Curran or E.M. McCartt . . . (415) 836-4914
City Bond and Mortgage Corporation
150 Grand Avenue
P.O. Box 1440
Oakland, California 94604

John Thompson (707) 446-6700
City of Vacaville
650 Merchant Street
Vacaville, California 95688

Steve Mathews (415) 234-6449
San Pablo Redevelopment Agency
1 Alvarado Square
San Pablo, California 94804

Mark Miller (415) 581-2345
City of Hayward
22300 Foothill Boulevard
Hayward, California 94541

Non-Profit Housing Development

A non-profit housing development corporation (HDC) is a corporation created specifically to promote, assist, or sponsor housing for low and moderate-income people. The catalyst for setting up such an organization is often the recognition that the housing needs of the community are not being met by either government or private enterprise.

A non-profit HDC does not build "public housing." Rather, it builds or rehabilitates privately-owned housing for people who cannot afford market-rate housing but whose incomes are generally above the poverty level. In order to keep rents within affordable limits, government assistance of some kind is usually necessary; thus, such housing is often referred to as "assisted housing." Non-profit HDCs can build housing for families, with such amenities as playgrounds, open space, and even child care facilities. They can build housing for the elderly or the handicapped, with units especially designed for the needs of these particular groups. Or they can build so-called "mixed" housing, catering to all three kinds of households. HDCs may build rental housing, or they may sponsor limited equity cooperative housing.

The following organizations and sources of information can provide more details regarding how an HDC works and specific examples of housing built with the assistance of an HDC.

The Northern California Association for Non-Profit Housing (NCANPH)

NCANPH is an organization of people in the non-profit housing field whose purpose is to exchange information on all aspects of running a non-profit HDC--state and federal programs, available financing, project management, the duties of the board of directors, etc. The organization publishes a quarterly newsletter and organizes conferences. For more information on this group, contact Janet Owens, Executive Director, or Dan Lopez, ABAG Housing Program Manager, at (415) 841-9730.

Non-Profit Housing Handbook, NCANPH and National Housing Law Project, October 1981.

Local Officials' Guide to Housing and Housing Programs, Chapter 3, ABAG, September 1980.

John Wilson-Bugbee (415) 453-4887
Ecumenical Association for Housing
1510 Fifth Avenue
San Rafael, California 94901

Rick Holliday (415) 582-1460
Eden Housing, Inc.
1035 B Street, Suite 201
Hayward, California 94541

Clarence Swann (415) 332-6731
Marin City Community Development Corporation
630 Drake Avenue
Marin City, California 94965

Bob Moulton (415) 327-9280
Mid-Peninsula Coalition Housing Fund
P.O. Box 11397
Palo Alto, California 94306

Jose Wheelock (415) 648-6113
Mission Housing Development Corporation
2922 Mission Street
San Francisco, California 94110

Hal Foster (415) 451-7414
Oak Center Homes
779 Sixteenth Street
Oakland, California 94612

**Joel Rubinzahl or
Christine Webb Curtis (415) 832-8300**
Oakland Community Housing
1904 Franklin Street, Suite 9
Oakland, California 94612

Pension Funds

Pension funds are a possible source of residential mortgage financing, as traditional sources of funding shrink. The savings and loan industry, the largest traditional supplier of residential mortgages, has been unable to attract a sufficient amount of capital necessary to issue new mortgages.

Traditionally, pension funds have been invested in low risk, low-yield securities. According to its annual report, the California Public Employees Retirement System (PERS) had a return of only 7.9 percent on its portfolio in fiscal year 1980.

In early 1981, Governor Brown appointed the Public Investment Task Force to investigate the possibility of using pension funds as a source of residential mortgage money. The task force has recommended that public and private employee pension funds invest in mortgages, and has outlined specific steps for them to do so. According to their report, public and private employee pension funds are worth a total of \$60 billion in California. Nationwide, pension fund assets total more than \$650 billion, and these funds are growing at a rate of 10 to 15 percent a year. By 1995, it is estimated about \$4 trillion will be invested in pension funds in the U.S.

Two pieces of legislation are pending in the State Legislature which would make investment in the California residential mortgage market more attractive to pension funds. State Constitutional Amendment SCA 121 would relax restrictions on pension fund managers. AB 2245 would create the California Secondary Mortgage Market Association.

The following individuals can provide more detailed information on the issues surrounding pension fund investments.

Larry Litvak (415) 832-8300
Community Economics
1904 Franklin Street, Suite 900
Oakland, California 94612

Sue Mulloy (415) 864-7400
Public Pension Investment Project
Catholic Social Services
50 Oak Street
San Francisco, California 94102

Robert Knox (415) 874-6766
Alameda County Treasurer
1221 Oak Street
Oakland, California 94612

Melvin Peterson (916) 445-7700
California Public Employees Retirement System,
Investment Unit
1416 9th Street
Sacramento, California 95814

Jerry Estruth (408) 277-4282
San Jose City Council
801 N. First Street
San Jose, California 95110

Streamlining the Residential Development Process

The residential development review process has been established to make sure that planned developments comply with a community's growth goals, as outlined in its general plan. It has been estimated that this process can take anywhere from 18 to 36 months. Streamlining the process can reduce housing costs by reducing the review and approval time for projects.

Local jurisdictions such as Alameda County, Antioch, Mountain View, Palo Alto, Redwood City, San Jose, San Mateo County, and Santa Clara County have incorporated techniques to streamline the development review process. Some of these techniques include: holding informal pre-application meetings, re-organizing regulatory departments, preparing master environmental impact reports, processing permits simultaneously, and making use of computers in some phase of processing.

In Hayward, a 58 unit low and moderate-income housing development has been constructed as part of a U.S. Department of Housing and Urban Development (HUD) demonstration project. This project is designed to show the extent to which housing costs and time can be reduced by streamlining both the local and federal review and approval process.

For additional information regarding the residential development process, consult the following sources.

Development Fees Survey, ABAG, January 1982.

Rick Holliday (415) 582-1460
Eden Housing, Inc.
1035 B Street, Suite 201
Hayward, California 94541

William Fraley (415) 881-6401
Alameda County, Planning Department
399 Elmhurst
Hayward, California 94544

Raymond Vignola (415) 757-3333
City of Antioch, Development Services Department
P.O. Box 130
Antioch, California 94509

David Hale (415) 363-4161
San Mateo County Planning Department
590 Hamilton Avenue
Redwood City, California 94063

Ken Schroeter (415) 369-6251
City of Redwood City, Planning Department
1017 Middlefield Road
Redwood City, California 94604

Leon Pollard (408) 299-2521
Santa Clara County, Planning Department
70 West Hedding Street
San Jose, California 95110

Glen Gentry (415) 966-6306
City of Mountain View, Planning Department
P.O. Box 10
Mountain View, California 94042

Kenneth Schreiber (415) 329-2310
City of Palo Alto, Planning Department
250 Hamilton Avenue
Palo Alto, California 94301

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City of San Jose, Planning Department
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San Jose, California 95110

Surplus Lands

The growing need for housing in the Bay Area places greater pressures on available land and land prices. As the availability of land suitable for housing decreases, the price of land increases. Where suitable land is owned by public agencies, the potential exists for developing affordable housing if the land can be made available at prices below market costs.

One of the first obstacles in making use of surplus public lands is identifying which jurisdictions have sites suitable for residential development. In April 1980, ABAG conducted a survey to determine the number and size of surplus sites in the Bay Area.

This survey identified 2,656 acres of surplus land owned by school districts, Bay Area cities, and the State. While this is not a complete inventory of surplus sites, it does provide an estimate of how much land potentially could be used for housing in the Bay Area.

Of the approximately 2,656 acres of surplus land:

- 55 percent is owned by school districts
- 26 percent is owned by Bay Area cities
- 19 percent is owned by the State of California.

While each jurisdiction which answered the survey has some surplus land suitable for housing, the largest aggregation of surplus land was found in Santa Clara and Contra Costa counties. For instance, the Campbell Union Elementary School District in San Jose had 138 acres of scattered sites which it plans to sell or lease. The Palo Alto Unified School District owns approximately 140 acres of scattered sites which it plans to sell. In Contra Costa County, 360 acres of surplus land is owned by the State of California. Many of these sites are suitable for the development of low and moderate-income housing.

For more information about surplus lands and their use in developing affordable housing, consult the following sources.

Surplus Lands Study, ABAG, January 1981.

Ruby Giese (408) 378-3405
Campbell Union Elementary School District
155 North Third
Campbell, California 95008

Rosemarie Bednar (415) 855-8013
Palo Alto Unified School District,
Property Management
25 Churchill Avenue
Palo Alto, California 94301

Carl Hencken (916) 445-0836
State of California, Department of Housing
and Community Development, Surplus Lands
Study Program
921 Tenth Street
Sacramento, California 95814

Rick Holliday (415) 582-1460
Eden Housing, Inc.
1035 B Street, Suite 201
Hayward, California 94541

June Baker (415) 499-6269
Marin County Department of Planning Services
315 Civic Center
San Rafael, California 94903

The Association of Bay Area Governments (ABAG) is one of nearly 700 regional planning agencies across the nation. ABAG is owned and operated by the cities and counties of the San Francisco Bay Area. It was established by them in 1961 to protect local control, plan for the future, and promote cooperation on areawide issues.

Through its role as an association of cities and counties, ABAG has been designated by the state and federal governments as the official comprehensive planning agency for the Bay Area. Its locally adopted Regional Plan provides a policy guide for planning the region's housing, economic development, environmental quality, transportation, recreation, health and safety.

ABAG Information Services

RECENT SURVEYS AND/OR REPORTS

Development Fees in the San Francisco Bay Area: A Survey, January 1982.

Housing Needs Report, December 1981.

Housing Activity Report for the San Francisco Bay Area, No. 3, May 1981, No. 2, January 1980, No. 1, March 1979.

Manufactured Housing Study, Task Force Report to Bay Area Cities and Counties, November 1980.

Condominium Conversions in the Bay Area, September 1979.

Surplus Lands Study, January 1981.*

DIRECTORIES AND GUIDES

Directory of Jobs, Housing & Social Services, September 1981.

Directory of Assisted Housing, January 1981.

Local Officials' Guide to Housing and Housing Programs, September 1980.*

Fair Housing Directory: Organizations Fighting Housing Discrimination, May 1980.

STUDIES IN PROGRESS

Directory of Assisted Housing (update due March 1982).

Manufactured Housing Study (update due June 1982).

Housing Activity Report #4 (update due June 1982).

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To obtain more information about items listed above or topics covered in this guide, contact Daniel B. Lopez at (415) 841-9730.

* These publications are out of print and available only at depository libraries. Please contact ABAG's Public Affairs Department for the location of these libraries.



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